MONTANA LEGISLATIVE HISTORY

Chapter 245 19 95

Bill H 270 S _____ Original bill & history X C

H. Committee on Local Gov't.			S. Committee on Local Gov't.		
Hearing Date(s)	_____	___C	Hearing Date(s)	_____	___C
	2/2	___C		3/14	~~___C~~
	_____	___C		_____	___C
	_____	___C		_____	___C
Date Out	2/14	___C		3/14	✓

Did this bill originate in an interim committee? ___Yes X No

Committee _____ Report _____

1/27	FISCAL NOTE PRINTED		
2/01	HEARING		
2/15	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/20	2ND READING DO PASS AS AMENDED MOTION FAILED	44	56

HB 270 INTRODUCED BY MCCULLOCH, ET AL.

ALLOW AN OWNER OF REAL PROPERTY TO PETITION TO BE INCLUDED IN A TRANSPORTATION DISTRICT

1/18	INTRODUCED		
1/18	FIRST READING		
1/18	REFERRED TO LOCAL GOVERNMENT		
2/02	HEARING		
2/15	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/17	2ND READING PASSED	57	41
2/18	3RD READING PASSED	57	42
	TRANSMITTED TO SENATE		
2/21	FIRST READING		
2/21	REFERRED TO LOCAL GOVERNMENT		
3/14	HEARING		
3/16	COMMITTEE REPORT—BILL CONCURRED		
3/18	2ND READING CONCURRED	46	0
3/20	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE		
3/21	SIGNED BY SPEAKER		
3/22	SIGNED BY PRESIDENT		
3/23	TRANSMITTED TO GOVERNOR		
3/27	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 245		
	EFFECTIVE DATE: 10/01/95		

HB 271 INTRODUCED BY MCCULLOCH, ET AL.

REVISE LAW RELATING TO SUMMARY DISSOLUTION OF MARRIAGE

1/18	INTRODUCED		
1/18	FIRST READING		
1/18	REFERRED TO JUDICIARY		
2/03	HEARING		
2/11	TABLED IN COMMITTEE		
2/23	MISSED TRANSMITTAL DEADLINE		
	DIED IN COMMITTEE		

HB 272 INTRODUCED BY STOVALL, ET AL.

CLARIFY CERTAIN LABOR LAWS AND TAX LAWS TO INCLUDE A SERVICE CHARGE RECEIVED BY EMPLOYEES OF THE FOOD, BEVERAGE, AND LODGING INDUSTRY

1/18	INTRODUCED		
1/18	FIRST READING		
1/18	REFERRED TO BUSINESS & LABOR		
1/19	FISCAL NOTE REQUESTED		
1/23	FISCAL NOTE RECEIVED		
1/24	FISCAL NOTE PRINTED		
2/01	HEARING		
2/08	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/10	2ND READING PASSED AS AMENDED	99	1
2/13	3RD READING PASSED	95	1
	TRANSMITTED TO SENATE		
2/20	FIRST READING		

54th Legislature

EXHIBIT 1
DATE 2-2-95
HB 270

LC0747.01

HB BILL NO. 270

INTRODUCED BY Linda McCulloch Jesse Ann Ryan Tom Gomez Dennny Jacobson Bruce Measure

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING AN OWNER OF REAL PROPERTY TO PETITION TO BE INCLUDED IN A TRANSPORTATION DISTRICT; AND AMENDING SECTION 7-14-241, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-14-241, MCA, is amended to read:

"7-14-241. Procedure to enlarge district or be included in district. (1) The boundaries of any transportation district may be enlarged if 51% of the qualified electors of the area to be added to the existing district sign a petition requesting addition to ~~such~~ the district.

(2) A real property owner may petition to have the property included in a district.

~~(2)~~(3) ~~However, each~~ Each addition must be approved by a majority vote of the transportation board.

~~(3)~~(4) The area added to a district pursuant to subsection (1) may be removed if the area does not directly receive transportation services from the district and 51% of the qualified voters in the area sign a petition requesting to be removed from the district. The removal of the area is effective 60 days after submission of the petition to the transportation board unless within that time, it is determined that the petition contains insufficient signatures for removal of ~~territory~~ the area. An insufficient petition must be returned to the petitioners, who may ~~submit it again~~ resubmit a corrected version within 90 days.

~~(4)~~(5) (a) All property within any addition to the district ~~shall be~~ is subject to all existing indebtedness of the district.

(b) Property within an area removed from the district is not subject to the district's existing indebtedness if the area was added to the district within 5 years of the date on which the petition for removal was submitted to the transportation board."

-END-

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **VICE CHAIRMAN JACK HERRON**, on February 2, 1995, at 3:00 P.M.

ROLL CALL

Members Present:

Rep. William E. Boharski, Chairman (R)
Rep. Jack R. Herron, Vice Chairman (Majority) (R)
Rep. David Ewer, Vice Chairman (Minority) (D)
Rep. Chris Ahner (R)
Rep. Shiell Anderson (R)
Rep. Ellen Bergman (R)
Rep. John C. Bohlinger (R)
Rep. Matt Brainard (R)
Rep. Matt Denny (R)
Rep. Rose Forbes (R)
Rep. Bob Keenan (R)
Rep. Linda McCulloch (D)
Rep. Jeanette S. McKee (R)
Rep. Norm Mills (R)
Rep. Debbie Shea (D)
Rep. Joe Tropila (D)
Rep. Diana E. Wyatt (D)

Members Excused: Rep. Toni Hagener

Members Absent: None

Staff Present: Bart Campbell, Legislative Council
Evelyn Burris, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: HB 270; HB 308
Executive Action: None

REP. WILLIAM BOHARSKI attended the meeting via speaker phone.

HEARING ON HB 270

Opening Statement by Sponsor:

REP. LINDA MCCULLOCH, HD 70, Western Missoula County, said the proposal to amend Section 7-14-241 would allow a real property owner to petition to be included in a urban transportation

district. The boundaries of any transportation district may be enlarged providing 51% of the qualified electors of the area to be added to the existing district sign a petition requesting addition to such a district; and a majority of the Board approves the addition. This is the only way state law provides to expand urban transportation district boundaries. There is no way to expand the district to include commercial, industrial, or vacant planned residential areas. There are no registered voters present in these situations.

Proponents' Testimony:

Michael E. Kress, Assistant General Manager, Mountain Line, Missoula, submitted handouts and pictures. **EXHIBIT 1** He explained the contents of the handout and said their primary interest is in the change in line 2 stating "a real property owner may petition to have the property included in a district."

Mr. Kress said the other changes were provided by the staff attorney. He included in his exhibit an area map showing the boundary of their present transportation district and the location of the Wal-Mart in relationship to it. He also provided a copy of the Montana Codes Annotated (MCA) of the existing state law of the districts. Mountain Line provides both fixed routes and specialized public transportation for the Missoula urban area. State law does not allow for property owner petition. This effectively prevents transportation districts from doing any planning for the future. The current available method only allows expansion after the demand for service exists.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses:

REP. MATT BRAINARD said he was aware of some discussion about Mountain Line going South to Lolo. He asked if there were any fees or financing with Wal-Mart. **Mr. Kress** responded the issue is that if included in the district they are subject to the mill levy which was frozen at 9.824 mills. Wal-Mart would be subject to $3,700 a year. There has been discussion about payment in lieu of taxes in this situation. They can run outside the district, but the Mountain Line board has a concern about being financially responsible to those members inside the district who are paying for the service. Wal-Mart has built a bus passenger shelter on Miller Creek Road.

REP. SHIELL ANDERSON asked how many residents are in the proposed area they want to expand to. **Mr. Kress** responded there are no registered voters or residents on the property. The property owner is called the Wal-Mart Corporation. There are no registered voters since no one lives there.

REP. JOHN BOHLINGER asked **Mr. Kress** if he had any estimations as to what increased revenue would be generated through the traffic. **Mr. Kress** responded they have roughly calculated the amount of property tax that would go to the district based on the 9.84 mill levy which is approximately $3,700 a year. Mountain Line goes to K-Mart which is very close to Wal-Mart. They ran service to Wal-Mart during the holiday season, then they received a petition from Missoula Manor, a retirement and nursing home, asking Mountain Line to continue that service if they could. They were carrying between twenty and thirty people a day.

REP. BOHLINGER asked when looking at the total cost of running the bus system, how much of the cost of that system is offset by the revenue generated from ridership. **Mr. Kress** said there are several terms used in the transient industry and one is called "fair box recovery ratio" and Missoula is about 15%. **REP. BOHLINGER** asked if this was a typical number. **Mr. Kress** responded it is typical for systems of their size. He told about the peer group analysis the company has done and said they were in the average.

REP. BOHLINGER asked if authority is granted for them to extend their service area, is it anticipated that the fair box revenue would therefore increase, offsetting some of the taxpayer burden to support the system. **Mr. Kress** responded yes, the commercial and industrial property will generate more revenue than the residential, so this will help considerably. If Lolo or Clinton said they wanted to petition into their district they could not be financially responsible to a single property owner.

REP. ANDERSON asked how many qualified electors are in the proposed district. **Mr. Kress** responded there are none. **REP. ANDERSON** said this would not help because Wal-Mart could petition to be included in the district but they couldn't vote to be in the district, therefore they couldn't be in the district. He asked for clarification. **Mr. Kress** explained the current procedure for enlarging the district and creation of a district. It is 51 percent of the registered voters signing a petition.

REP. TONI HAGENER asked if there are other companies that would care to serve this area. **Mr. Kress** said the cab companies serve it and the other bus company is Beach Transportation, a charter operation. Mountain Line is a public transportation.

REP. NORM MILLS asked how near to a Wal-Mart area do they now have bus service. **Mr. Kress** responded they are near K-Mart, about four city blocks.

Closing by Sponsor:

The sponsor closed and said the only reason for this bill is to make it easier for people to get from one place to another and she urged a do pass vote.

HOUSE OF REPRESENTATIVES

Local Government

ROLL CALL DATE 2-2-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bill Boharski, Chairman	✓		
Rep. Jack Herron, Vice Chairman, Majority	✓		
Rep. David Ewer, Vice Chairman, Minority	✓		
Rep. Chris Ahner	✓		
Rep. Shiell Anderson	✓		
Rep. Ellen Bergman	✓		
Rep. John Bohlinger	✓		
Rep. Matt Brainard	✓		
Rep. Matt Denny	✓		
Rep. Rose Forbes	✓		
Rep. Toni Hagener			✓
Rep. Bob Keenan	✓		
Rep. Linda McCulloch	✓		
Rep. Jeanette McKee	✓		
Rep. Norm Mills	✓		
Rep. Debbie Shea	✓		
Rep. Joe Tropila	✓		
Rep. Diana Wyatt	✓		

PROPOSAL TO AMEND SECTION 7-14-241, MCA - TO ALLOW A REAL PROPERTY OWNER TO PETITION TO BE INCLUDED IN A URBAN TRANSPORTATION DISTRICT

BACKGROUND:

The Montana Codes Annotated (MCA), Section 7-14-241 (see attachment I, MCA - Urban Transportation Districts), provides that the boundaries of any transportation district may be enlarged under the following conditions:

(1) 51% of the qualified electors of the area to be added to the existing district sign a petition requesting addition to such a district; and

(2) a majority of the Board approves the addition.

Following validation of petition signatures by the County Elections office, the Mountain Line Board considers the issue of the addition. Opportunity for public comment is provided at that time and during development of routing and time schedules.

PROBLEM STATEMENT:

This is the *only* way state law provides to expand urban transportation district boundaries. There is no way to expand the district to include commercial, industrial, or vacant planned residential areas. There are no registered voters present in these situations.

PROPOSAL:

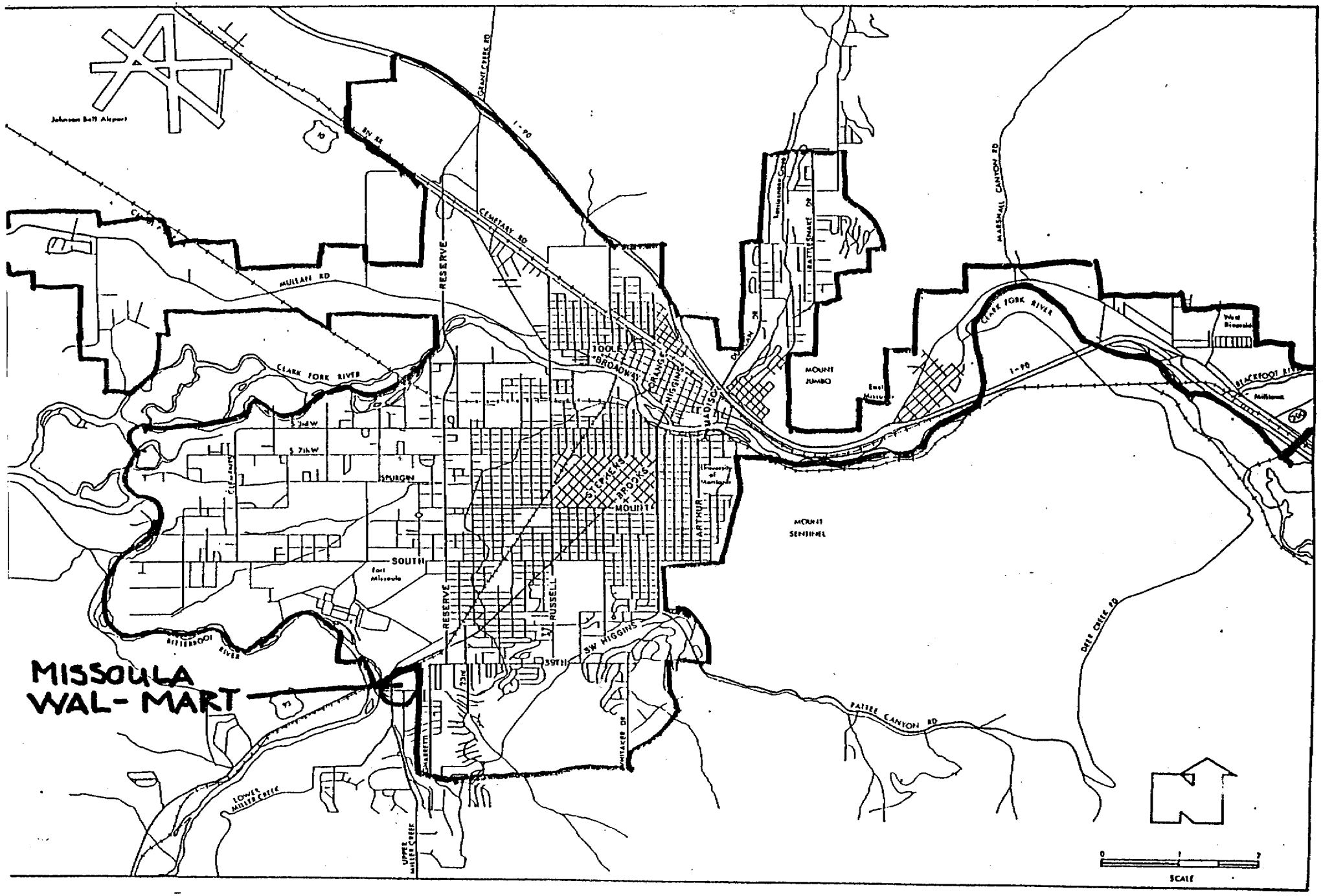
Some form of property owner signature or petition should be provided for commercial, industrial, and vacant residential areas where there is a willing applicant and no registered voters. Wal-Mart, which lies just outside the district boundary (see attached map) and wants bus service, is a recent example of the problem that exists when no registered voters reside in an area that wants to be in the district so bus service can be provided.

A variation of this problem occurs where a major development is proposed that is a good candidate for future transit service, but no registered voters live there. In Missoula, this situation occurred in the Lower Miller Creek area where a major development (approximately 700 dwelling units) was proposed, and the developer was willing to petition into the district. Note:

this project was subsequently withdrawn. State law, however, does not allow for property owner petition. This effectively prevents transportation districts from doing any planning for the future. The current available method only allows expansion *after* the demand for service exists.

Thank you for your consideration of this request, and I will be happy to address any questions or comments you may have.

Prepared by: Michael E. Kress, AICP
Assistant General Manager, Mountain Line
1221 Shakespeare
Missoula, MT 59802
1.406.543.8386 (phone)
1.406.543.8387 (fax)


MISSOULA
WAL-MART
Johnson Bell Airport
I-90
BN RR
CEMETERY RD
MULLAN RD
RESERVE
CLARK FORK RIVER
BROADWAY
HIGGINS
ORANGE
ARTHUR
RUSSELL
39TH
SW HIGGINS
SOUTH
Fort Missoula
MOUNT JUMBO
MOUNT SENTINEL
MARSHALL CANYON RD
DEER CREEK RD
PATTEE CANYON RD
BLACKFOOT RIVER
Missoula
BITTERROOT RIVER
LOWER MILLER CREEK
UPPER MILLER CREEK
SCALE

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN WILLIAM BOHARSKI**, on February 14, 1995, at 3:00 P.M.

ROLL CALL

Members Present:

Rep. William E. Boharski, Chairman (R)
Rep. Jack R. Herron, Vice Chairman (Majority) (R)
Rep. David Ewer, Vice Chairman (Minority) (D)
Rep. Chris Ahner (R)
Rep. Shiell Anderson (R)
Rep. Ellen Bergman (R)
Rep. John C. Bohlinger (R)
Rep. Matt Brainard (R)
Rep. Matt Denny (R)
Rep. Rose Forbes (R)
Rep. Antoinette R. Hagener (D)
Rep. Bob Keenan (R)
Rep. Linda McCulloch (D)
Rep. Jeanette S. McKee (R)
Rep. Norm Mills (R)
Rep. Debbie Shea (D)
Rep. Joe Tropila (D)
Rep. Diana E. Wyatt (D)

Members Excused: None
Members Absent: None
Staff Present: Bart Campbell, Legislative Council
Evelyn Burris, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing:	HB 417; HB 421; HB 425; HB 438; HB 530	
Executive Action:	HB 231	DO PASS
	HB 259	DO PASS
	HB 260	DO PASS
	HB 270	DO PASS AS AMENDED
	HB 289	DO PASS AS AMENDED
	HB 303	TABLED
	HB 358	TABLED
	HB 361	TABLED
	HB 397	TABLED
	HB 398	TABLED
	HB 417	DO PASS
	HB 421	DO PASS
	HB 425	DO PASS
	HB 438	TABLED
	HB 530	DO PASS AS AMENDED

REP. ROSE FORBES said with some of the activities that take place after curfew hours in Great Falls and the damage done to property, $75 is not enough and she supported this bill.

Vote: **The motion carried 14-4 with REPS. KEENAN, SHEA, TROPILA and WYATT voting no.**

EXECUTIVE ACTION ON HB 260

Motion: **REP. SHIELL ANDERSON MOVED HB 260 DO NOT PASS. REP. MILLS MADE A SUBSTITUTE MOTION TO TABLE.**

Discussion: **REP. EWER** said he is sympathetic with **REP. TUSS'** desires to try to "carp out" Black Eagle. If people want to accept the do not pass and table motions, he will offer an amendment that is directed at carping out Black Eagle. He discussed the language on line 13.

Vote: **The motion to table carried 12-6 with REPS. AHNER, BRAINARD, DENNY, MCCULLOCH, SHEA and WYATT voting no.**

EXECUTIVE ACTION ON HB 270

Motion: **REP. MCCULLOCH MOVED HB 270 DO PASS.**

Discussion:

REP. ANDERSON questioned if this bill is passed as is, does it mean Lolo will be proposed to be included as part of a transportation district out of Missoula. It would only take one real property owner to petition to include it in the district, however it would take 51% of the electors, so his amendment would have to qualify electors and real property owners. He referred to line 11, to include "real property owners," clarifying they could only get one vote.

REP. MCCULLOCH said it would only take in the person petitioning under the language of the bill. In Missoula, all the senior citizens want the bus to go to Wal-Mart. If Wal-Mart petitions, then only Wal-Mart will be paying in, not everyone around them.

REP. MILLS said he does not read the bill that way as **REP. MCCULLOCH** explained it. He said once Wal-Mart petitioned to be in the area added to the district it doesn't mean they are the only ones that will pay. Everyone in between will pay.

REP. HERRON asked if the petition was to extend two blocks to Missoula.

REP. MILLS said it will affect anybody in the whole state and not just two blocks and it will be some other distance in some other town.

REP. BRAINARD referred to line 13 and suggested adding "real property owner be contiguous to the present district, could add on." He said that would fit the Wal-Mart situation.

REP. ANDERSON said he stands corrected and after researching the bill, he feels it is fine as it is.

CHAIRMAN BOHARSKI asked where the contiguous language is in the bill and asked **REP. MCCULLOCH** if that was the intention with the bill. **REP. MCCULLOCH** responded no and explained the intent.

{Tape: 2; Side: B; Approx. Counter: 17.0;}

CHAIRMAN BOHARSKI asked how the revenues of the transportation district are collected. **REP. MCCULLOCH** explained if Lolo wanted to get bus service and got a petition signed by 51% of the qualified electors of the area, then all of Lolo would be paid into the transportation district.

REP. MILLS disagreed saying everybody within the boundaries that reestablish has to pay.

REP. ANDERSON referred to line 13 suggested striking the word "the" and add "a real property owner may petition to have that property included in a district."

Motion/Vote: **REP. ANDERSON MOVED HIS AMENDMENT. Voice vote taken. Motion carried with REPS. WYATT and MILLS voting no.**

Motion: **REP. ANDERSON MOVED HB 270 DO PASS AS AMENDED.**

Discussion:

REP. MILLS disagreed that it does not take care of the problem of who has to pay. It restricts the fact that he can ask to have his property included, but it does not define who is going to be included in between him and the previous boundary, which makes it wide open for gerrymandering.

CHAIRMAN BOHARSKI said that is taken care of with subsection (3). **REP. MILLS and CHAIRMAN BOHARSKI** agreed that it would be with the board, not the people.

REP. MCCULLOCH gave examples of how the petitioning of the districts works.

CHAIRMAN BOHARSKI explained the concern of **REP. MILLS** stating that if a business like Wal-Mart that is five miles away from the boundary of the transportation district, petitions to come in a very busy route and the bus runs out to the area six or seven times a day, the concern is that all of the people who live in the transposition district are going to have to pay to subsidize the cost of the bus going out the extra five miles. Since the

areas are not contiguous, all the other people are now going to have to pay a portion.

REP. BRAINARD suggested putting in the wording "the real property owner may contract to have his property as a destination."

REP. MILLS said that is already permissible.

REP. MCCULLOCH disagreed putting in the suggested language.

REP. EWER discussed the different issues being focused on and concluded this is an issue that can be addressed by the transportation board. He said the primary beneficiaries are the citizens of the transportation district. **REP. EWER** stated his support of the bill that the local board make the decision and he felt this is a good bill for public policy.

REP. DENNY interjected that this particular Wal-Mart question is in his legislative district.

Motion/Vote: **REP. MCCULLOCH MOVED HB 270 DO PASS AS AMENDED. Motion passed 13-5 with REP. TROPILA voting aye by proxy and REPS. BOHARSKI, HERRON, KEENAN, MILLS and WYATT voting no.**

EXECUTIVE ACTION ON HB 289

Motion: **REP. HERRON MOVED HB 289 DO PASS.**

Discussion: **Mr. Campbell** stated he had some amendments. **EXHIBIT 20**

CHAIRMAN BOHARSKI explained that the amendments were brought in by the Public Service Commission because if the requirement to review is no longer there, there was no reason to require the annual report.

Motion/Vote: **REP. HERRON MOVED HIS AMENDMENTS. Motion carried unanimously.**

Motion/Vote: **REP. ANDERSON MOVED HB 289 DO PASS AS AMENDED. Motion passed 12-6 with REPS. BRAINARD, DENNY, KEENAN, WYATT voting no. REPS. SHEA and TROPILA voted no by proxy.**

EXECUTIVE ACTION ON HB 303

Motion: **REP. ANDERSON MOVED HB 303 DO PASS. REP. DENNY MOVED THE AMENDMENTS. EXHIBIT 21**

Discussion: **REP. DENNY** explained the language in his amendment.

REP. BERGMAN questioned what problem this bill would attempt to "cure."

HOUSE STANDING COMMITTEE REPORT

February 15, 1995

Mr. Speaker: We, the committee on **Local Government** report that **House Bill 270** (first reading copy -- white) **do pass as amended**.

Signed: Wm E Boharski
Bill Boharski, Chair

And, that such amendments read:

1. Page 1, line 13.
Strike: "the"
Insert: "that owner's"

-END-

Committee Vote:
Yes 13, No 5.

391313SC.Hbk

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN TOM BECK**, on March 14, 1995, at 3:00 p.m.

ROLL CALL

Members Present:
Sen. Thomas A. "Tom" Beck, Chairman (R)
Sen. Ethel M. Harding, Vice Chairman (R)
Sen. Sharon Estrada (R)
Sen. Delwyn Gage (R)
Sen. Don Hargrove (R)
Sen. Dorothy Eck (D)
Sen. John "J.D." Lynch (D)
Sen. Jeff Weldon (D)

Members Excused: none

Members Absent: none

Staff Present: Susan Fox, Legislative Council
Elaine Johnston, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: HB 101, HB 259, HB 270, HB 289
Executive Action: HB 259, HB 270

HEARING ON HB 101

Opening Statement by Sponsor:

REP. GAY ANN MASOLO, HD 40, Townsend, presented HB 101 which allows self governing local governments to establish alternative methods for carrying out functions and providing services in state law. HB 101 was developed by the Governor's Task Force to renew Montana government. It empowers local government and gives them more options for accomplishing those things required by the state of Montana. Today there is around 1,200 pages of statute governing local governments and that body of law has been built up over the last 100 years. Today with the changes in technology some of the statutes act as an impediment to local governments to provide the best services at the least cost to taxpayers. HB 101 takes a broad brash approach to solving this dilemma. It gives

there are unincorporated areas up to 4,500 people. This may be an area like the tri-cities area of Stocket, Vancooly, and Centerville also Black Eagle which has around 5,000 people.

SEN. GAGE asked if there was any definition of an unincorporated city or town in statute. **REP. TUSS** said that an unincorporated city or town is defined in statute by absence of a charter that authorizes incorporation and then the law enforcement is left to the county sheriff.

SEN. HARGROVE asked if there is a formula relating fines to hours of service as $7.50 an hour is pretty fair wages in Montana? **REP. TUSS** said she thought that when talking about adolescence, 10 hours of service is a substantial penalty on their time.

SEN. LYNCH asked if this conflicts with the child labor laws? **REP. TUSS** said there is no conflict because a sentencing judge would not ask the youngster to do 10 hours in a week but would make it over a period of time.

SEN. GAGE asked if the folks receiving benefit from the community services if effects on their insurance premiums had been looked at? **REP. TUSS** said she believed it had been considered because there is a community service program in Cascade county and every county that has that option has considered those kinds of effects. Part of the reason community service is in HB 259 is that her constituents truly believe that connection to the community is an important crime deterrent. When the old lady who's sidewalk you shoveled has a name and is not just the lady who screamed at you, a connection is made that did not exist before and establishes respect.

Closing by Sponsor:

REP. TUSS closed.

HEARING ON HB 270

Opening Statement by Sponsor:

REP. LINDA MCCULLOCH, HD 70, Missoula, presented HB 270 which deals which deals with being able to expand the boundaries of a transportation district. Under current law, two things must happen for a buss line to expand into a new area. First, 51% of the registered voters of the area must sign a petition requesting addition into the district and second, the transportation board must approve the addition. The problem is there is no way to expand the commercial business such as a retail store into the transportation district because there are no registered voters that live at a retail store. The only change to HB 270 lies on line 13. They are only asking that a real property owner be able to petition to be included in their district. This would allow a business to request entry into the transportation district.

Inclusion in the district still is up to the final approval of the transportation board. For example, in Missoula, the senior citizens would like to take the Mountain Lion Bus to Wal-Mart to do their shopping but Wal-Mart lies outside the transportation districts boundary by about 1/2 mile. Since there are no registered voters that live at Wal-Mart, there is no way Wal-Mart can petition into the transportation district. Hence the frustration with the current laws relating to urban transportation districts.

Proponents' Testimony:

Mike Kress, Assistant General Manager, Mountain Line Bus Company, gave the committee a handout **(EXHIBIT 7)**. Mountain Line has been in existence in Missoula since 1977 and provides fixed route and specialized transportation. Basically, demand responsive curb to curb service for persons with disabilities. The district was created in 1977 and has not changed since. There is only one way to expand the district as **REP. MCCULLOCH** stated. The handout he have the committee shows the boundaries of the district. There are no registered voters in the outer retail areas giving them no way to be included in the district even though they have expressed interest in joining the district. They have talked to them about payment in lieu of taxes and so far it does not seem very clean. Missoula has grown considerably since 1977.

Opponents' Testimony: none

Questions From Committee Members and Responses:

SEN. GAGE asked if 51% don't want Wal-Mart and the board does, are the people in the district up the creek? **REP. MCCULLOCH** said that because this is not a hugh transportation board which makes a great deal of money, they are going to do what is best for the transportation district overall. If Wal-Mart alone wanted to come into a district, Wal-Mart alone will be paying to be a part of the district, but the ultimate decision lies with the board. Even though there have been petitions by the citizens it is the law that must be changed for these people to even get a chance to have the district expanded.

CHAIRMAN BECK asked if the Missoula Transportation Board is appointed by the county commissioners? **Mr. Kress** answered that state law was amended the last session to allow for appointments by the mayor, city council, and county commissioners.

CHAIRMAN BECK stated that there is some protection from the board if they felt it was not cost effective for an area to be admitted into the district. **Mr. Kress** responded that the board would look at the cost impact and study if the expansion will pay its fair share.

Closing by Sponsor:

REP. MCCULLOCH reminded the committee that HB 270 is just trying to get people who elect not to have their own cars from one place to another.

HEARING ON HB 289

Opening Statement by Sponsor:

REP. LOREN SOFT, HD 12, Billings, presented HB 289 dealing with municipality which comes from the Governor's Task Force. **REP. SOFT** quoted part of the report from the Task Force, "Legislative action should retake into deregulate the municipal regulatory powers of the Public Service Commission (PSC) in order to allow communities to regulate their own municipal utility rates." The process of deregulating the utility rates is happening all across the country. Currently, Montana is one of only 12 states that still has regulated water utilities and one of six states that regulates sewer utilities. Basically, HB 289 removes the PSC from their roll in approving water, sewer, gas and electric rate increases. The system operating now must receive a PSC approval for any increases that exceed 12% unless the increase is due to a federal mandate or state improvement project. HB 289 is a good bill because local elected officials are in a better position to set rates rather than state wide elected officials. It also returns power back to the local governments, and it will save time and money. Preparing rate cases can be quite expensive and local officials felt that the money they spend on cases could be used for services they have now. Rural water and sewer districts are currently not under the PSC jurisdiction. Some questions and answers from across the state referred to people who live outside the municipal boundaries but are served by municipal utilities and if they would be charged more? These people outside the boundaries would not be charged more. If the PSC is not involved what avenue of appeal do the payers have? There is a three tier process starting with the required hearings at the local level, the Montana Consumer Council could represent them in rate hearings in front of the City Council and finally they can appeal to district court. This bill will give back to the local cities and towns who know best in regulating utilities.

Proponents' Testimony:

Laurie Ekinger, representing Governor Racicot, encouraged support for HB 289.

Nancy McCaffree, Chair of the Public Service Commission, submitted her written testimony **(EXHIBIT 8)**.

Bill Verwolf, City of Helena, supported HB 289 which represents a final step in a experiment that has succeeded. In 1977, all water and sewer rates were subject to full PSC regulation. Then a bill was passed for local municipalities to go through a process to do rate regulation up to 12% per year and cover costs

could not answer that question. He did say that in any government he has been involved with would not do that. **Mr. Ron Woods, MT PSC**, stated that title 7 of the local government codes provides for the establishment of enterprise funds being water, sewer and garbage. It provides how the charges will be recovered from the subscribers and will be self-supporting vehicles with in local government framework. They will also be supported by the rates and charges assessed to subscribers.

SEN. ECK asked if the utilities only include water and sewer? **Mr. Verwolf** replied that was correct because they are the only two utilities currently subject to PSC regulation. **Mr. Woods** expanded that there are several municipally owned gas distribution systems and a electric distribution system in Troy. Those would be exempt to PSC jurisdiction. Title 69 chapter 7 to gas, electric, water and sewer.

Closing by Sponsor:

REP. SOFT encouraged the support of the committee and stated that the Governor's Task Force did a good job getting public input on local government issues.

EXECUTIVE ACTION ON HB 259

Motion/Vote: **SEN. GAGE MOVED HB 259 BE CONCURRED IN. THE MOTION CARRIED UNANIMOUSLY.**

EXECUTIVE ACTION ON HB 270

Motion/Vote: **SEN. GAGE MOVED HB 270 BE CONCURRED IN. THE MOTION CARRIED UNANIMOUSLY.**

MONTANA SENATE
1995 LEGISLATURE
LOCAL GOVERNMENT COMMITTEE

ROLL CALL DATE March 14, 1995

NAME	PRESENT	ABSENT	EXCUSED
DOROTHY ECK	✓		
SHARON ESTRADA	✓		
DELWYN GAGE	✓		
DON HARGROVE	✓		
J. D. LYNCH	✓		
JEFF WELDON	✓		
ETHEL HARDING, VICE CHAIRMAN	✓		
TOM BECK, CHAIRMAN	✓		

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SENATE STANDING COMMITTEE REPORT

March 15, 1995

MR. PRESIDENT:

We, your committee on Local Government having had under consideration HB 270 (third reading copy -- blue), respectfully report that HB 270 be concurred in.

Signed: Sen Tom Beck
Senator Tom Beck, Chair

Amd. Coord.
Sec. of Senate

Sen. Gage
Senator Carrying Bill

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